

## § 260.111

one barrel of oil equivalent, as measured at 15.025 psi, 60 degrees Fahrenheit, and fully saturated.

[45 FR 9539, Feb. 12, 1980, as amended at 45 FR 36800, May 30, 1980; 46 FR 29689, June 2, 1981; 46 FR 35625, July 9, 1981. Redesignated at 48 FR 1182, Jan. 11, 1983, and amended at 48 FR 24874, June 3, 1983; 56 FR 23648, May 23, 1991; 61 FR 3804, Feb. 2, 1996; 61 FR 12027, Mar. 25, 1996]

### **§260.111 Criteria for selection of bidding systems and bidding system components.**

(a) In analyzing the application of one of the bidding systems listed in §260.110(a) to tracts selected for any OCS lease sale, MMS may, in its discretion, consider the following purposes and policies, recognizing that each of the purposes and policies may not be specifically applicable to the selection process for a particular bidding system and tract or may present a conflict that will have to be resolved in the process of bidding system selection, and that the order of listing does not denote a ranking:

- (1) Providing fair return to the Federal Government;
- (2) Increasing competition;
- (3) Assuring competent and safe operations;
- (4) Avoiding undue speculation;
- (5) Avoiding unnecessary delays in exploration, development, and production;
- (6) Discovering and recovering oil and gas;
- (7) Developing new oil and gas resources in an efficient and timely manner;
- (8) Limiting administrative burdens on Government and industry; and
- (9) Providing an opportunity to experiment with various bidding systems to enable the identification of those that are the most appropriate for the satisfaction of the objectives of the United States in OCS lease sales.

(b) In performing the analysis referred to in paragraph (a), MMS may, in its discretion, take into account the following in relation to their impact upon the purposes and policies enumerated in paragraph (a) of this section.

(c) The bidding systems listed in §260.110(a) (2) and (3) shall be applied to not less than 20 per centum and not more than 60 per centum of the total

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area offered for leasing each year during the five-year period commencing on September 18, 1978, unless DOI determines that the maximum and minimum per centum limitations set forth in this section are inconsistent with the purposes and policies of the OCSLA.

[45 FR 9539, Feb. 12, 1980. Redesignated and amended at 48 FR 1182, Jan. 11, 1983]

### **Subpart C [Reserved]**

### **Subpart D—Joint Bidding**

SOURCE: 45 FR 62031, Sept. 18, 1980, unless otherwise noted. Redesignated at 48 FR 1182, Jan. 11, 1983.

#### **§260.301 Purpose.**

The purpose of the regulations in this subpart D is to encourage participation in OCS oil and gas lease sales by limiting the requirement for filing Statements of Production to certain joint bidders.

#### **§260.302 Definitions.**

For purposes of this subpart D, all the terms used shall be defined as in 30 CFR 256.38.

#### **§260.303 Joint bidding requirements.**

(a) Any person who submits a joint bid for any OCS oil and gas lease during a six-month bidding period and who was chargeable for the prior production period with an average daily production in excess of 1.6 million barrels of crude oil, natural gas equivalents, and liquefied petroleum products, shall have filed a Statement of Production with the Director, MMS, in accordance with the requirements of 30 CFR 256.38. The Statement of Production shall state that the person filing the Statement is chargeable for the prior production period with an average daily production in excess of 1.6 million barrels of crude oil, natural gas equivalents, and liquefied petroleum products.

(b) No person chargeable for the prior production period with an average daily production in excess of 1.6 million barrels of crude oil, natural gas equivalents, and liquefied petroleum products may submit a joint bid for any OCS oil and gas lease during the applicable six-

month bidding period with any other person similarly chargeable. Such bids shall be disqualified and rejected.

(c) No person may submit any bid during the applicable six-month bidding period pursuant to any agreement, the terms of which would result in two or more persons, each chargeable for the prior production period with an average daily production in excess of 1.6 million barrels of crude oil, natural gas equivalents, and liquefied petroleum products, acquiring or holding any interest in the tract for which the bid is submitted. Such bids shall be disqualified and rejected.

## PART 270—NONDISCRIMINATION IN THE OUTER CONTINENTAL SHELF

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AUTHORITY: Sec. 604, Pub. L. 95-372, 92 Stat. 695 (43 U.S.C. 1863).

SOURCE: 50 FR 21048, May 22, 1985, unless otherwise noted.

### § 270.1 Purpose.

The purpose of this part is to implement the provisions of section 604 of the OCSLA of 1978 which provides that "no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from receiving or participating in any activity, sale, or employment, conducted pursuant to the provisions of . . . the Outer Continental Shelf Lands Act."

### § 270.2 Application of this part.

This part applies to any contract or subcontract entered into by a lessee or by a contractor or subcontractor of a lessee after the effective date of these regulations to provide goods, services, facilities, or property in an amount of \$10,000 or more in connection with any activity related to the exploration for or development and production of oil, gas, or other minerals or materials in the OCS under the Act.

### § 270.3 Definitions.

As used in this part, the following terms shall have the meanings given below:

*Contract* means any business agreement or arrangement (in which the parties do not stand in the relationship of employer and employee) between a lessee and any person which creates an obligation to provide goods, services, facilities, or property.

*Lessee* means the party authorized by a lease, grant of right-of-way, or an approved assignment thereof to explore, develop, produce, or transport oil, gas, or other minerals or materials in the OCS pursuant to the Act and this part.

*Person* means a person or company, including but not limited to, a corporation, partnership, association, joint stock venture, trust, mutual fund, or any receiver, trustee in bankruptcy, or other official acting in a similar capacity for such company.

*Subcontract* means any business agreement or arrangement (in which the parties do not stand in the relationship of employer and employee) between a lessee's contractor and any person other than a lessee that is in any way related to the performance of any one or more contracts.

### § 270.4 Discrimination prohibited.

No contract or subcontract to which this part applies shall be denied to or withheld from any person on the grounds of race, creed, color, national origin, or sex.

### § 270.5 Complaint.

(a) Whenever any person believes that he or she has been denied a contract or subcontract to which this part applies on the grounds of race, creed, color, national origin, or sex, such person may complain of such denial or withholding to the Regional Director of the OCS Region in which such action is alleged to have occurred. Any complaint filed under this part must be submitted in writing to the appropriate Regional Director not later than 180 days after the date of the alleged unlawful denial of a contract or subcontract which is the basis of the complaint.